

filed by U.S. tire manufacturers, the U.S. International Trade Agency has determined that these imports are unfairly priced and are harming the U.S. market, and the Department of Commerce has developed a system of tariffs ranging from 14 to 100 percent of the price of imported tires. It remains to be seen whether and when these tariffs will be imposed and the impact they may have. While most firms expressed strong concerns over this issue, overall reused tire volumes remain high and do not appear to have been severely impacted to date, compared to previous years.

Retread Tires

The quantity of truck and specialty tires retread in California was estimated to be up slightly to 4.3 million PTEs in 2015, compared to 4.2 million PTEs in 2013.

Overall, despite strong concerns over lower-tier Chinese tires (described above), retreading volumes appear to be fairly stable, with a mix of growth and contraction, often related to competitive developments within the industry. Responding retreaders reported operating at an average of 69 percent capacity. Ten reported their volumes were down in 2015 by an average of 14 percent, nine said their volumes were up by an average of 13 percent, and two said their 2015 volumes were flat. Looking ahead to 2016, seven predicted volumes would decline, by an average of 5.5 percent, while eight predicted growth, by an average of 5 percent. Four predicted flat volumes in 2016. (Respondents did not necessarily answer every survey question; consequently, the total number of responses for each question varies.)

Used Tires

An estimated 3.1 million PTEs were culled and graded for reuse in 2015, a 12 percent decline from 2014. This includes 2.4 million PTE sold for sale domestically, flat with 2014. And, 0.7 million PTEs were estimated to have been exported for reuse, 60 percent less than the quantity previously estimated for 2014. This large drop in the estimate for used tire exports is mainly due to a change in methodology implemented for the first time this year, as described in Appendix B.

In addition, based on WTMS data and survey responses, more than 1 million PTEs were shipped by several firms from other U.S. western states into California, either for sale here or directly to ports for export to Mexico or elsewhere. One reason for shipping used tires to California for sale may be the fact that California regulations require a lower tread depth for used tires. For example, passenger tires require a depth of at least 1/32 inch, while federal regulations and those in some other states require 2/32 inch tread.⁵ According to U.S. Census Bureau, a total of 1,038,633 used tire units were exported from California ports, with 871,700 of these to Mexico and the remainder,

⁵ California Vehicle Code Section 605 and Section 27450-27503, <http://www.dot.ca.gov/hq/roadinfo/vctires.htm>. And Federal Motor Carrier Safety Administration, § 393.75: Tires. <https://www.fmcsa.dot.gov/regulations/title49/section/393.75>